

## **5 Human Resource Development and Management** *(120 points)*

The Human Resource Development and Management Category examines how the work force is enabled to develop and utilize its full potential, aligned with the organization's objectives. Also examined are the organization's efforts to build and maintain an environment conducive to performance excellence, full participation, and personal and organizational growth.

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### **What this means**

Human Resource Development and Management is the focal point within the Criteria for all key human resource practices — those directed toward the creation of a high performance workplace and toward the development of employees to enable them and the organization to adapt to change. The Category addresses human resource development and management requirements in an integrated way, aligned with the organization's strategic directions.

In order to ensure the basic alignment of human resource management with organization strategy, the Criteria address human resource planning as an integral part of organization planning in the Strategic Planning Category.

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## 5.1 Work Systems (45 points)

### Approach & Deployment

Describe how the organization's work and job design and its compensation and recognition approaches enable and encourage all employees to contribute effectively to achieving the organization's performance and learning objectives.

In your response, address the following Areas:

#### a. Work and Job Design.

How work and jobs, including those of managers at all levels in the organization, are designed, organized, and managed to ensure:

- (1) opportunities for individual initiative and self-directed responsibility in designing, managing, and improving organization work processes;
- (2) flexibility, cooperation, rapid response, and learning in addressing current and changing customer, mission, and operational requirements; and
- (3) effective communications, and knowledge and skill sharing across work functions, units, and locations.

#### b. Compensation and Recognition.

How the organization's compensation and recognition approaches for individuals and groups, including managers at all levels in the organization, reinforce the overall work systems, performance, and learning objectives.

### What this means

This Item addresses how the organization's work and job design, compensation, and recognition approaches enable and encourage all employees to contribute effectively. The Item is not only concerned with current and near-term performance objectives, but also with individual and organizational learning — enabling adaptation to change.

**Area 5.1a** calls for information on work and job design and work organizations. The basic aim of such design and organizations should be to enable employees to exercise discretion and decision making, leading to flexibility and rapid response to the changing requirements of the marketplace. Examples of approaches to create flexibility in work design might include simplification of job classifications, cross-training, job rotation, work layout, and work locations. It might also entail use of technology and changed flow of information to support local decision making.

Effective job design and flexible work organizations are necessary but may not be sufficient to ensure high performance. Work, job, and organization designs need to be backed by information systems, education, and appropriate training to ensure that information flow supports the job and work designs. Also important is effective communication across functions and work units to ensure focus on customer requirements. In some cases, teams might involve individuals in different locations linked via computers or conferencing technology.

**Area 5.1b** addresses the important alignment of incentives with work systems. The basic thrust of this Area is the consistency between the organization's compensation and recognition system and its work structures and processes.

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## 5.1 Work Systems (cont.)

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### What this means (cont.)

The Area calls for information on employee compensation and recognition — how these reinforce high performance job design, work organizations, and teamwork. To be effective, compensation and recognition might need to be based, wholly or in part, upon demonstrated skills and/or evaluation by peers in teams and networks.

Compensation and recognition approaches could include gain sharing and compensation based on skill building, use of new skills, and demonstrations of self-learning. The approaches could also be based on the linkage to customer retention or other performance objectives.

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### Tips

- Describe work flow and job designs.
  - Discuss how members are organized and include work teams, problem-solving teams, functional units, and work centers, either self-managed or managed by supervisors.
  - Show how cross training, job rotation, work layout, and work locations are used in your organization. (Flexibility in work design).
  - Describe how technology is used to enhance information flow to support local decision making.
  - Provide examples of empowered employees and teams implementing their decisions.
  - Show evidence of continuous improvement in job and work design approaches.
  - Show evidence of how you use the Coast Guard's Medals and Awards Manual and the Rewards and Recognition Handbook to establish a recognition program.
  - Describe how innovation is recognized and encouraged.
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### Examples

- Employees were empowered to develop a job rotation plan which increased communications across organizational boundaries and enhanced professional skills. - 5.1a(1), (2) & (3).
  - The majority of the cutter's cross-qualification programs were established to provide junior personnel exposure to positions of greater responsibility promoting professional growth and enhancing work force flexibility. Removing traditional and rank-related restrictions on job qualifications opened the door for junior personnel to advance beyond their primary duties. - 5.1a(1), (2) & (3).
  - A Group translated their key requirement of increased use of media into a training initiative where the Group duty officers (the one's most likely to come in contact with the media) were sent to the Coast Guard's one week Commanding Officer's Public Affairs Course. - 5.1a(2).
  - The Northeast Regional Fisheries Training Center develops curriculum to improve and maintain operational readiness. Students are surveyed six months after receiving the training to determine if the course actually prepared the student to perform the job for which he/she was trained. Results of the surveys are analyzed to align content with student and program manager requirements. - 5.1a(2).
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## 5.1 Work Systems (cont.)

## Examples (cont.)

- Teams are empowered to create and/or change their processes for maximum job performance. Traditionally a top-down, hierarchical organization, the MSO introduced the concept of teams two years ago. This year, we have been refining the boundaries, the levels of empowerment, and pushing decision-making to the lowest level. Aligned along the BP processes, the teams have been chartered and empowered to organize their work, formulate their approach to completing BP/mission-related work efficiently, set meetings and interface with internal and external customers. The ownership they have in their processes provides for job satisfaction in making that process work. In addition, team members rate each others' performance to the BP for their performance appraisals - a significant departure from the past. - 5.1a(1), (2) & (3).
- Peer-nominated CG Person Award was developed which recognizes individual achievement by co-workers. Unit members may nominate their peers, subordinates and supervisors for this award. - 5.1b.
- The unit's reward and recognition plan is designed to facilitate the change in our culture to a Total Quality environment. The intent of the plan is to reinforce behaviors that contribute to achieving our goal of Total Customer Satisfaction. We regularly monitor our performance against the plan, and adapt the plan as the strategy matures. - 5.1b.
- Highly successful teams have been rewarded with formal recognition; for example, the Quality Assessment team received a Meritorious Team Award and the leader of the SIP team received a Commandant's Letter of Commendation Ribbon. Civilian employees are rewarded with a monetary Quality Step Increase (QSI) if they perform all of their Critical Job Elements (CJEs) in an outstanding manner. Informal recognition is encouraged at all levels and specifically included in the QMB Charter for QMB members to give to teams. The CO recognized a team leader with a personal award for her work in carrying out the SIP. Team leaders are routinely given the chance to recognize their team efforts and specific individual contributions at the monthly all-hands meeting. - 5.1b.

<b>Board, Committee, Council</b>	<b>Purpose</b>	<b>Meeting Cycle</b>
Executive Steering Committee	Provide overall command direction and develop command-wide policy as outlined in section 1.1.	Weekly
Safety & Environmental Health Committee	Solve safety and health problems and increase safety awareness of all command personnel.	Quarterly
Human Relations Council	Inform and advise the Commanding Officer on civil rights, equal opportunity, and other matters within the command which may be real, potential, or perceived problems of illegal discrimination or sexual harassment that negatively impact the command's ability to promote valuing diversity or maintaining a harmonious work environment. The HRC is a forum for the surfacing and frank discussion of such issues.	Monthly
Awards Board	Establish procedures for submission of military awards, provide initial review and recommendations to the Commanding Officer on awards submitted, provide mentoring and feedback to supervisors submitting awards, and to track status of awards submitted to ensure timely action and receipt of awards to our members.	Bi-monthly
Coast Guard Person of the Quarter Selection Board	Select Tracen's military Coast Guard Person of the Quarter. Selection is made from division nominations. Board will further screen and recommend to command nominations for Coast Guard Person of the Year Awards.	Quarterly
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**Figure 5.12 Standing Tracen Teams - 5.1a**

## 5.2 Employee Education, Training and Development (45 points)

### Approach & Deployment

Describe how the organization's education and training address key organization plans and needs, including building knowledge and capabilities, and contributing to improved employee performance and development.

In your response, address the following Area:

### a. Employee Education, Training, and Development.

Describe:

- (1) how education and training address the organization's key performance plans and needs, including longer-term employee development objectives;
- (2) how education and training are designed to support the organization's approach to work and jobs. Include how the organization seeks input from employees and their managers in education and training design;
- (3) how education and training, including orientation of new employees, are delivered;
- (4) how knowledge and skills are reinforced on the job; and
- (5) how education and training are evaluated and improved, taking into account organization performance, employee development objectives, and costs of education and training.

### What this means

This Item addresses how the organization develops the work force via education, training, and on-the-job reinforcement of knowledge and skills. Development is intended to meet the needs of a high performance workplace, accommodating to change.

Education and training address the knowledge and skills employees need to meet their overall work and personal objectives. Depending upon the nature of the organization's work and the employees' responsibilities and stage of development, education and training needs might vary greatly. Examples include leadership skills, communications, team-work, problem solving, interpreting and using data, meeting customer requirements, process analysis, process simplification, waste reduction, cycle time reduction, error-proofing, priority setting based upon cost and benefit data, and other training that affects employee effectiveness, efficiency, and safety. It might also include basic skills such as reading, writing, language, and arithmetic.

The Item calls for information on key performance and learning objectives, and how education and training are designed, delivered, reinforced, and evaluated, with special emphasis given to on-the-job application of knowledge and skills. The Item emphasizes the importance of the involvement of employees and their managers in the design of training, including clear identification of specific needs. This involves job analysis — understanding the types and levels of the skills required and the timeliness of training. Determining specific education and training needs might include use of organization assessment or employee self-assessment to determine and/or compare skill levels for progression within the organization or elsewhere.

Education and training delivery might occur inside or outside the organization and involve on-the-job, classroom, computer-based, or other types of delivery. This includes the use of developmental assignments within or outside the organization to enhance employees' career opportunities and employability.

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## 5.2 Employee Education, Training and Development (cont.)

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### **What this means (cont.)**

The Item also emphasizes evaluation of education and training. Such evaluation could take into account managers' evaluation, employee self-evaluation, and peer evaluation of value received through education and training relative to needs identified in design. Evaluation could also address factors such as the effectiveness of education and training delivery, impact on work unit performance, costs of delivery alternatives, and benefit/cost ratios.

Although the Item does not explicitly call for information on the training for customer contact employees, such training usually entails: (a) acquiring key knowledge and skills, including knowledge of products and services; (b) listening to customers; (c) soliciting comments from customers; (d) anticipating and handling problems or failures (recovery); (e) developing skills in customer retention; and (f) learning how to effectively manage expectations.

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### **Tips**

- Show examples of education and training addressing various skills:
    - leadership
    - functional proficiency (e.g., watchstanding, enlisted ratings, civilian "CJEs")
    - communications
    - teamwork
    - problem solving
    - meeting customer requirements
    - process analysis, cycle-time reduction, cost versus benefit analysis
    - safety.
  - Explain how training includes job enrichment and job rotation to enhance members' career opportunities and breadth of experience.
  - Explain how systematic needs analysis is used to determine training needs for all employees.
  - Describe a training program that is organized into progressive skill levels.
  - Provide training for all key functions/positions.
  - Use various methods of training delivery as appropriate. (OJT, computer-based learning, distance learning via satellite down link, or other types of delivery).
  - Show how follow-up activities are used to ensure skills learned in training are used on the job.
  - Explain how you determine training effectiveness. (End-of-course critiques, post-training supervisor evaluation, and job performance improvement).
  - Describe how training is improved as a result of evaluation.
  - Describe a training plan for a hypothetical "new employee."
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## 5.2 Employee Education, Training and Development (cont.)

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### Examples

- The Training Board monitors all employee qualifications and key performance objectives as determined through the training matrix. The Board also monitors the qualifications status within each Department as a measurement of that Department's ability to perform its duties. Annually, the Training Board identifies the training gaps, prioritizes the training needs and develops individual training plans (IDPs) in partnership with each active, reserve, and civilian employee and their supervisors. IDPs designate the primary qualifications they must obtain; the most cost-efficient, effective, and timely method for that particular employee to obtain the knowledge and skills (OJT, non-resident training, local vendor, computer-based); and deadlines for their completion. - 5.2a(1), (2), (3), (4) & (5).
  - Several sources and methods are used for the delivery of training including off-site college courses, seminars, workshops and other interactive methods. Most training is delivered just-in-time and followed up with OJT to allow for better transfer of skills. Employees who attend training provide written reports which documents the value of training from the employee perspective. - 5.2a(3).
  - The Training Board established a successful internship program where front-line workers are periodically placed at waterfront facilities for a week at a time to learn firsthand the needs of their suppliers and customers and the industry. Prior to assignment, they receive customer service training. Upon returning to the unit, all interns are required to share valuable insights among the team and the organization. - 5.2a(1), (2), (3) & (4).
  - Recognizing that not only job-related training is vital to maintaining a highly qualified, content and productive work force, the Training Center continues to provide Professional Development training in a multitude of changing areas. Based on Professional Development attendance feedback, what was once a week long, first come-first serve conference, conducted each fall, has evolved in to an ongoing throughout the year program that is able to meet the needs of more of the work force. The Professional Development training gives the work force an opportunity to take a break from their work environment and do something professionally for themselves. The evaluation data continues to reflect that over 96% of the participants believe they have acquired useful skills or knowledge and that approximately 88% believed that the skills gained will have a positive impact on their job. Topics offered include:

◇ Helping your Team Reach Consensus	◇ Ethical Fitness Seminars
◇ Applying Learning Theory	◇ Basic of Stock Market Investing
◇ CPR Heartsaver	◇ Coaching for Optimal Performance
◇ The Challenge of Leadership	◇ Increasing Human Effectiveness
◇ How to Obtain a College Degree	◇ Seven Habits of Highly Effective People
◇ Committed to Quality	◇ Counseling Students or Staff
◇ Effective Business Writing	◇ Effective Communications
◇ Fractions for Barbarians	◇ Distance Learning
◇ Giving and Receiving Feedback	◇ Making Empowerment Work
◇ Myers-Briggs Type Indicator Workshop	◇ Maximize Stress Management
◇ Welcome to the Internet	◇ SAT Reviews
◇ Maximizing the Transfer of Training Potential	◇ Interactive Teams
◇ Performance Improvement with Learning	◇ Managing Change in the Workplace
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### 5.3 Employee Well-Being and Satisfaction (30 points)

#### Approach & Deployment

Describe how the organization maintains a work environment and work climate that support the well-being, satisfaction, and motivation of employees.

In your response, address the following Areas:

#### a. *Work Environment.*

How the organization maintains a safe and healthful work environment. Include how employee well-being factors such as health, safety, diversity, and ergonomics are included in improvement activities. Briefly describe key measures and targets for each important factor. Note significant differences, if any, based upon different health and safety factors in the work environments of employee groups or work units.

#### b. *Employee Support Services.*

How the organization supports the well-being, satisfaction, and motivation of employees via services, facilities, activities, and opportunities.

#### c. *Employee Satisfaction.*

How the organization determines employee well-being, satisfaction, and motivation. Include:

- (1) a brief description of formal and informal methods used. Outline how the organization determines the key factors that affect employee well-being, satisfaction, and motivation and assesses its work climate. Note important differences in methods, factors, or measures for different categories or types of employees, as appropriate; and
- (2) how the organization relates employee well-being, satisfaction, and motivation results to key business or performance results and/or objectives to identify improvement activities.

#### What this means

This Item addresses the work environment, the work motivational climate, and how they are tailored to foster the well-being, satisfaction, and development of all employees.

**Area 5.3a** calls for information regarding a safe and healthful work environment to determine how the organization includes such factors in its planning and improvement activities. Important factors in this Area include establishing appropriate measures and targets and recognizing that employee groups might experience very different environments.

**Area 5.3b** calls for information on the organization's approach to enhance employee well-being, satisfaction, and growth potential based upon a holistic view of employees as key stakeholders. The Area emphasizes that the organization needs to consider a variety of services, facilities, activities, and opportunities to build well-being and satisfaction.

Most organizations, regardless of size, have many opportunities to contribute to employee satisfaction. Examples of services, facilities, activities, and other opportunities are: personal and career counseling; career development and employability services; recreational or cultural activities; non-work-related education; day care; special leave for family responsibilities and/or for community services; safety off the job; flexible work hours; out placement. These services also might include career enhancement activities such as skills assessment, helping employees develop learning objectives and plans, and employability assessment.

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### 5.3 Employee Well-Being and Satisfaction (cont.)

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**What this means (cont.)**

**Area 5.3c** calls for information on how the organization determines employee satisfaction, well-being, and motivation. The Area recognizes that many factors might affect employee motivation. Although satisfaction with pay and promotion potential is important, these factors might not be adequate to assess the overall climate for motivation and high performance. For this reason, the organization might need to consider a variety of factors in the work environment to determine the key factors in motivation. Examples of specific factors which might affect satisfaction, well-being, and motivation are: effective employee problem or grievance resolution; safety; employee views of leadership and management; employee development and career opportunities; employee preparation for changes in technology or work organization; work environment; workload; cooperation and teamwork; recognition; benefits; communications; job security; compensation; equality of opportunity; and capability to provide required services to customers.

In addition to survey results, other measures and/or indicators of satisfaction, well-being, and motivation might include safety, absenteeism, turnover, turnover rate for customer-contact employees, grievances, strikes, and worker compensation. Factors inhibiting motivation need to be prioritized and addressed. Further understanding of these factors could be developed through exit interviews with departing employees.

The Area also addresses how the information and data on the satisfaction, well-being, and motivation of employees are actually used in improvement activities. Such activities might draw upon human resource results presented in Item 7.3. Such use might involve developing priorities for addressing employee problems based on impact on productivity.

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**Tips**

- Explain how your organization builds well-being and satisfaction into the job. (e.g., special consideration for family responsibilities, community service, or flexible work hours).
- Provide measures and/or indicators of satisfaction, well-being, and motivation. This could include safety, absenteeism, turnover, manpower grievances, results of surveys, and exit interviews.
- Develop a system for addressing employee concerns based on above measures/indicators.
- Explain how priorities are set for addressing employee concerns.
- Describe how you thrill and delight employees rather than simply satisfying them.
- Develop goals for safety and employee satisfaction based on competitive comparisons and benchmarking results.
- Institute a prevention-based approach to safety and employee well being.

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### 5.3 Employee Well-Being and Satisfaction (cont.)

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#### Examples

- The unit has identified the link of safety to key business drivers (e.g.: safety stand downs) The Safety Board reviewed current work practices and safety issues addressing crew safety as a leadership imperative. Safety board initiatives included ship-wide upgrades to the installed lighting system to improve safety and habitability, an external analysis of lead content in the ship's drinking water and new procedures to reduce the risk of lead exposure, improvements in the location and operation of installed emergency eye wash stations, and improvements in the ship's general announcing system. - 5.3a.
  - Our Employee Assistance Program (EAP) was initiated by our Employee Satisfaction Team (EST) to improve the opportunity for employees to increase their awareness of health related issues. The EAP now holds regular brown-bag lunches on topics of concern to employees related to mental and physical well-being. - 5.3b.
  - Employee well-being factors of Health, Safety and Ergonomics are included in improvement activities including: - 5.3a & b.
    - *Health* - People directed Flexible benefits programs, smoking cessation and Weight Watchers programs, in-house fitness centers, facility fitness events, flexible hours, job accommodation, CPR & first aid training. All of our locations have either restricted smoking areas or have been designated as smoke-free.
    - *Safety* - Safety committees or workplace assessment teams are used in our locations to identify potential hazards through annual safety audits and are empowered to implement improvements relating to our people's health, safety and well-being. They are also responsible for updating written safety procedures.
    - *Ergonomics* - In order to maintain the continued health and well-being of our people we bring in external ergonomic specialists and use internal workplace assessment personnel, who have received training, to evaluate potential areas of health concern and give advice on furniture design, lighting and general office environment issues.
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## **6 Process Management (110 points)**

The Process Management Category examines the key aspects of process management, including customer focused design, product and service delivery processes, support processes, and supplier and partnering processes involving all work units. The Category examines how key processes are designed, effectively managed, and improved to achieve better performance.

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### **What this means**

Process Management is the focal point within the Criteria for all key work processes. Built into the Category are the central requirements for efficient and effective process management — effective design, a prevention orientation, evaluation and continuous improvement, linkage to suppliers and partners, and overall high performance.

An increasingly important concept in all aspects of process management and organizational design is flexibility. In simplest terms, flexibility refers to the ability to adapt quickly and effectively to changing requirements, expectations, and opportunities. Depending on the nature of the organizational strategy, mission, and/or markets, flexibility might mean rapid changeover from one product to another, rapid response to changing demands, or the ability to produce a wide range of customized services. Flexibility might demand special strategies such as unique service designs, sharing of components, sharing of service delivery systems, and specialized training. Flexibility also increasingly involves outsourcing decisions, agreements with key suppliers and partners, and novel partnering arrangements.

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## 6.1 Management of Product and Service Processes (70 points)

### Approach & Deployment

Describe how new, significantly modified, and customized products and services are designed.  
Describe how production/delivery processes are designed, implemented, and improved.

In your response, address the following Areas:

### a. Design Processes.

How products, services, and production/delivery processes are designed. Include:

- (1) how changing customer requirements and technology are incorporated into product and service designs;
- (2) how production/delivery processes are designed to meet quality and operational performance requirements; and
- (3) how design and production/delivery processes are coordinated to ensure the trouble-free introduction and delivery of products and services.

### b. Production/Delivery Processes.

How the organization's key product and service production/delivery processes are managed and improved. Include:

- (1) a description of the key processes and their principal requirements;
- (2) how the processes are managed to maintain process integrity and to ensure products and services will meet operational and customer requirements. Include a description of key in-process measurements and customer interactions, as appropriate; and
- (3) how product and service processes are evaluated and improved to achieve better performance, including improvements to products and services, and the transfer of learning to other organization units and projects.

### What this means

This Item examines how the organization designs, introduces, produces, delivers, and improves its products and services. It also examines how production/delivery processes are maintained and improved. Important to the management of these processes is the trouble-free introduction of new products and services. This requires effective coordination, starting early in the product and service design phase. The Item also examines organizational learning, through a focus on how learnings in one process or organization unit are replicated and added to the knowledge base of other projects or organization units.

**Area 6.1a** calls for information on the design of products, services, and their production/delivery processes. Three aspects of this design are examined: (1) how changing customer requirements and technology are incorporated into product and service designs; (2) how production/delivery processes are designed to meet quality and operational performance requirements; and (3) how design and production/delivery processes are coordinated to ensure trouble-free introduction and delivery of products and services.

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## 6.1 Management of Product and Service Processes (cont.)

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### What this means (cont.)

Design approaches could differ appreciably depending upon the nature of the products/services; entirely new, variants, major or minor process changes. Responses should reflect the key requirements for the organization's products and services. Factors that might need to be considered in design include: health; safety; long-term performance; environmental impact; measurement capability; process capability; manufacturability; maintainability; supplier capability; and documentation. Effective design must also consider cycle time and productivity of production and delivery processes. This might entail detailed mapping of manufacturing or service processes and redesigning (reengineering) them to achieve efficiency as well as to meet customer requirements.

Many organizations also need to consider requirements for suppliers and/or provide partners at the design stage. Overall, effective design must take into account all stakeholders in the value chain. If many design projects are carried out in parallel, or if the organization's products utilize parts, equipment, and facilities used for other products or services, coordination of resources might be a major concern and might offer means to significantly reduce unit costs and time to delivery. This should be addressed in responding to Area 6.1a.

Coordination of design and production/delivery processes involves all organization units and/or individuals who will take part in production/delivery and whose performance materially affects overall process outcome. This might include groups such as R&D, marketing, design, and product/process engineering.

**Area 6.1b** calls for information on the management and improvement of the organization's key production/delivery processes. The information required includes a description of the key processes and their specific requirements, and how performance relative to these requirements is determined and maintained. Specific reference is made to in-process measurements and customer interactions. This requires the identification of critical points in processes for measurement, observation, or interaction. The intent is that these activities occur at the earliest points possible in processes, to minimize problems that may result from deviations from expected (design) performance. Expected performance frequently requires setting performance levels or standards to guide decision making. When deviations occur, a remedy, usually called corrective action, is required to restore the performance of the process to its design performance. Depending on the nature of the process, the correction could involve technical and/or human factors. Proper correction involves changes at the source (root cause) of the deviation. Such corrective action should minimize the likelihood of this type of variation occurring anywhere in the organization.

When customer interactions are involved, differences between customers must be taken into account in evaluating how well the process is performing. This might entail specific or general contingencies depending on customer response. This is especially true of professional and personal services.

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## 6.1 Management of Product and Service Processes (cont.)

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### What this means (cont.)

**Area 6.1b** also calls for information on how processes are improved to achieve better performance. Better performance means not only better quality from the customers' perspective but also better financial and operational performance, such as productivity from the organization's perspective. Area 6.1b anticipates that organizations use a variety of process improvement approaches. In responding to Area 6.1b, approaches the organization might use could include: (1) the sharing of successful strategies across the organization; (2) process analysis and research (e.g., process mapping, optimization experiments, and error proofing); (3) research and development results; (4) benchmarking; (5) use of alternative technology; and (6) information from customers of the processes within and outside the organization. Process improvement approaches might utilize financial data to evaluate alternatives and set priorities. Together, all these approaches offer a wide range of possibilities, including complete redesign (reengineering) of processes.

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### Tips

- Identify your key processes in your strategic plan. (Your “bread and butter” processes are your key processes).
  - Use measurements and observations to select targets for improvement.
  - Address factors your customers consider important.
  - Use flowcharts, check-sheets, run charts, etc. to help define and evaluate processes.
  - Use financial data to evaluate alternatives and to set priorities for process improvements.
  - Explain how you design processes with test results and participant inputs to aid in the implementation of a flawless process.
  - Review your flow charts regularly to identify unnecessary steps.
  - Develop measurement plans in the design stage to spell out what, when and how measures are to be made.
  - Explain how your organization uses the concepts in the Process Improvement Guide (PIG) to manage and improve your processes.
  - Include performance standards and key information to be collected from customers or employees in the measurement plan.
  - Develop a matrix that lists key processes and their requirements, measures, standards, and control strategies.
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## 6.1 Management of Product and Service Processes (cont.)

### Examples

#### New Product/Service Development Process

1. New product/service proposal
2. Concept feasibility
3. Specifications and system review
4. Prototype development
5. Beta development
6. Full evaluation(customer, mgmt, supplier)
7. Pilot delivery
8. Full implementation
9. Support
10. Phase-out

- We use a ten-phase product/service design and production/delivery process, modified as necessary for each new situation. Our phased development process ensures that customer needs for each new product/service are understood through approaches which include customer surveys, significant face-to-face contact with customers and focus groups early on. New product/service proposals are generated from our strategic business plan and review process. Our measurement system is relied on to provide feedback on new product/service delivery. A phase review is conducted by the project team upon transition between phases to ensure that all requirements of a given phase are met. During phase 7, process and documentation problems are corrected, ensuring a smooth transition into phase 8. All of these steps ensure a trouble-free launch for the new product/service, and all required resources are allocated to ensure that the introduction is as rapid as possible. - 6.1a(1), (2) & (3).

- Key product/service production/delivery processes are managed through our *Process Management* sections of the business plan. A sample of the information used for this process management is shown in the matrix below. - 6.1b(1), (2) & (3).

Process	Requirement	Standard	Measure	Controlling Strategies
Searching	<ul style="list-style-type: none"> <li>• Fast Response</li> </ul>	<ul style="list-style-type: none"> <li>• Within "Bravo" Status</li> <li>• Per SAR Manual</li> </ul>	<ul style="list-style-type: none"> <li>• Minutes to respond per Bravo Status</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• RFO Inspections</li> <li>• TSTA</li> <li>• PMS</li> <li>• PQS</li> <li>• Checklists</li> </ul>
Rescuing	<ul style="list-style-type: none"> <li>• Effective</li> </ul>		<ul style="list-style-type: none"> <li>• Lives Lost/Saved</li> <li>• Property Saved</li> </ul>	
Boardings	<ul style="list-style-type: none"> <li>• Quality</li> <li>• Quantity</li> <li>• Effectiveness</li> <li>• Fast Cycle Time</li> </ul>	<ul style="list-style-type: none"> <li>• IAW MLE Manual</li> <li>• IAW U.S. Laws &amp; Regulations</li> <li>• IAW CG Regulations &amp; SOP</li> </ul>	<ul style="list-style-type: none"> <li>• % Accurate completion of 4100</li> <li>• # Boarded per patrol days</li> <li>• # of vsls previously boarded within 90 days</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• PQS</li> <li>• Boater Education (CMEs)</li> <li>• Checklist</li> </ul>

Continued on next page

## 6.1 Management of Product and Service Processes (cont.)

### Examples (cont.)

Process	Requirement	Standard	Measure	Controlling Strategies
Arresting & Seizing	<ul style="list-style-type: none"> <li>Accuracy</li> </ul>	<ul style="list-style-type: none"> <li>IAW U.S. Laws &amp; Regulations</li> <li>IAW CG Regulations &amp; Policies</li> </ul>	<ul style="list-style-type: none"> <li># of violations per boarding</li> <li>Time of board per vsl type</li> <li>% Accurate completion of case file</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>Checklists</li> </ul>
Navigating	<ul style="list-style-type: none"> <li>Accuracy</li> </ul>	<ul style="list-style-type: none"> <li>CO's Navigation Standards</li> <li>Per CO's Standing Orders</li> </ul>	<ul style="list-style-type: none"> <li>Fixes</li> <li>STR scores (FXPs)</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>TSTA</li> <li>RFO Inspections</li> <li>PQS</li> </ul>
Responding to Casualty	<ul style="list-style-type: none"> <li>Effectiveness</li> <li>Fast Response</li> </ul>	<ul style="list-style-type: none"> <li>IAW NWP Policies</li> <li>Per MSFD</li> <li>Per ECCB</li> <li>Per EO's Standing Orders</li> </ul>	<ul style="list-style-type: none"> <li>Time to Contain Casualty</li> <li>STR Scores (FXPs)</li> </ul>	<ul style="list-style-type: none"> <li>TSTA</li> <li>Training</li> <li>PQS</li> <li>Policies</li> </ul>
Launching & Recovering Helicopter	<ul style="list-style-type: none"> <li>Safe</li> </ul>	<ul style="list-style-type: none"> <li>Per Ship/Helo Manual</li> </ul>	<ul style="list-style-type: none"> <li># of Mishaps per evolution</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>TSTA</li> <li>STAN visits</li> <li>PQS</li> </ul>
Launching & Recovering Sm Boat	<ul style="list-style-type: none"> <li>Safe</li> <li>Timely</li> </ul>	<ul style="list-style-type: none"> <li>Per Cutter Organization Manual</li> </ul>	<ul style="list-style-type: none"> <li># of Mishaps per evolution</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>PQS</li> <li>TSTA</li> </ul>
Servicing ATON	<ul style="list-style-type: none"> <li>Reliability</li> <li>Accuracy</li> <li>Fast Response</li> <li>Effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Per ATON Manual</li> </ul>	<ul style="list-style-type: none"> <li>% Aids availability</li> <li>% responded within DRF standards</li> <li>% aids overdue for servicing</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>PQS</li> </ul>

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## 6.1 Management of Product and Service Processes (cont.)

### Examples (cont.)

Process	Requirement	Standard	Measure	Controlling Strategies
Command & Control	<ul style="list-style-type: none"> <li>Feasible</li> <li>Effective</li> </ul>	<ul style="list-style-type: none"> <li>Per Operations Order</li> </ul>	<ul style="list-style-type: none"> <li>FXP scores</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>TSTA</li> </ul>
Readiness	<ul style="list-style-type: none"> <li>Reliability</li> <li>Fast Response</li> <li>Skilled Crew</li> </ul>	<ul style="list-style-type: none"> <li>Per Required Operating Capabilities &amp; Projected Operating Environment</li> </ul>	<ul style="list-style-type: none"> <li>% in SORTS C/M Categories Rating</li> </ul>	<ul style="list-style-type: none"> <li>PMS</li> <li>Training</li> <li>TSTA</li> <li>PQS</li> <li>Materiel Inspections</li> </ul>
Vessel Inspection	<ul style="list-style-type: none"> <li>Eliminate substandard commercial vessels from U.S. waters</li> </ul>	<ul style="list-style-type: none"> <li>400 or fewer discrepancies per 100,000 port calls.</li> </ul>	<ul style="list-style-type: none"> <li>Total interventions per 100,000 port calls.</li> </ul>	<ul style="list-style-type: none"> <li>Implement two categories of vsl insp.; <b>low risk &amp; high risk</b>. Shift resources to concentrate USCG personnel on <b>high risk vsIs</b>. Partner with vsl operators to improve efficiency of inspecting <b>low risk vsIs</b>.</li> </ul>

## 6.2 Management of Support Processes (20 points)

### Approach & Deployment

Describe how the organization's key support processes are designed, managed, and improved.

In your response, address the following Area:

#### a. Management of Support Processes.

How key support processes are designed, managed, and improved so that current and future requirements are met. Include:

- (1) how key requirements are determined or set, incorporating input from internal and external customers;
- (2) how key support processes are designed to meet overall performance requirements;
- (3) a description of the key support processes and their principal requirements;
- (4) how the processes are managed to maintain process performance and to ensure results will meet operational and customer requirements. Include a description of key in-process measurements and customer interactions, as appropriate; and
- (5) how the processes are evaluated and improved to achieve better performance, including cycle time.

#### What this means

This Item addresses how the organization designs, maintains, and improves its support processes. Support processes are those that support the organization's product and/or service delivery, but are not usually designed in detail with the products and services themselves, because their requirements do not usually depend a great deal upon product and service characteristics. Support process design requirements usually depend significantly upon internal requirements, and must be coordinated and integrated to ensure efficient and effective performance. Support processes might include budget, finance and accounting; software services; sales and marketing; public and Congressional relations; information services; supplies; personnel; legal services; plant and facilities management; research and development; and secretarial and other administrative services.

The Item calls for information on how the organization maintains the performance of the key support processes. This information includes a description of the key processes and their principal requirements, and a description of key in-process measurements and customer interactions. These principal requirements are similar to those described above in Area 6.1b.

Item 6.2 also calls for information on how the organization evaluates and improves the performance of its key support processes. Four key approaches the organization might consider or use are: (1) process analysis and research; (2) benchmarking; (3) use of alternative technology; and (4) information from customers of the processes — within and outside the organization. Together, these approaches offer a wide range of possibilities, including complete redesign (reengineering) of processes.

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## 6.2 Management of Support Processes (cont.)

### Tips

- Use the same ideas for 6.2 as were used in 6.1.
- Identify the most important support processes based on requirements of internal and external customers.
- Explain how data is identified and collected for key measures for each major support process.
- Use a systematic proactive process to identify process improvement opportunities in support areas.
- Most of the information for improvement is likely to come from “internal customers” or those within your unit who use the support services.
- Develop a matrix that lists key processes and their requirements, measures, standards, and control strategies.

### Examples

- Key support processes are designed, managed and improved through the same ten-phase method for design of product/service processes described in section 6.1a. This approach is modified as appropriate for each unique situation. The focus is always on ensuring that the support process meets the needs of internal or external customers. - 6.2a(1), (2) & (5).

KSP	REQUIREMENTS	MEASURES	STANDARDS	CONTROL STRATEGIES
Travel claim processing	Reduce travel claim processing time so that a claim received 1 business day before the end of the accounting period will be paid in that next paycheck.	Hours to process a travel claim once received.  Days to receive reimbursement once travel claim is received.	4 hours or less  14 days or less	Travel claims are time stamped upon receipt and once reconciled. Times are recorded during processing and data is automatically analyzed. Work group reviews results at weekly team meeting.

Process	Output	Requirement	Standard	Measure	Controlling Strategies
PMS	<ul style="list-style-type: none"> <li>Operational Equipment</li> </ul>	<ul style="list-style-type: none"> <li>Timely</li> <li>Effective</li> </ul>	<ul style="list-style-type: none"> <li>Per MLC Manuals</li> </ul>	<ul style="list-style-type: none"> <li>% PMS Completion</li> </ul>	<ul style="list-style-type: none"> <li>Checklists</li> <li>MLC Compliance Inspections</li> </ul>
Training	<ul style="list-style-type: none"> <li>Capable Crew</li> </ul>	<ul style="list-style-type: none"> <li>Timely</li> <li>Effective</li> <li>Efficient</li> </ul>	<ul style="list-style-type: none"> <li>Cutter Qualification &amp; Training Manual</li> <li>Per Area SOP</li> </ul>	<ul style="list-style-type: none"> <li>% PQS Completion</li> <li>% required trng competed</li> <li>% required skill trng accomplished</li> </ul>	<ul style="list-style-type: none"> <li>TSTA</li> <li>Training Matrix</li> <li>MLC Compliance Inspection</li> </ul>

*Continued on next page*

## 6.2 Management of Support Processes (cont.)

### Examples (cont.)

Process	Output	Requirement	Standard	Measure	Controlling Strategies
Procurement	<ul style="list-style-type: none"> <li>Timely</li> <li>Error Free Documents</li> </ul>	<ul style="list-style-type: none"> <li>Accurate</li> <li>Timely</li> </ul>	<ul style="list-style-type: none"> <li>Per FINCEN SOP</li> <li>Per Purchase Request</li> </ul>	<ul style="list-style-type: none"> <li># of days to process purchase request</li> </ul>	<ul style="list-style-type: none"> <li>Checklist</li> <li>MLC Compliance Inspections</li> </ul>
Food Service Operations	<ul style="list-style-type: none"> <li>Meals</li> </ul>	<ul style="list-style-type: none"> <li>Tasty</li> <li>Nutritious/Low Fat</li> <li>Efficient</li> </ul>	<ul style="list-style-type: none"> <li>Per Subsistence Manual</li> <li>± 10% between used &amp; allotted allowance</li> <li>± 2% between provisional &amp; actual inventories</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction Level</li> <li>% with 10% allotted allowance</li> <li>% within 2% btwn ending &amp; running inventory</li> </ul>	<ul style="list-style-type: none"> <li>Sampling</li> <li>SAT visits</li> </ul>
Wellness	<ul style="list-style-type: none"> <li>Fit Crew</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity</li> <li>Effective</li> </ul>	<ul style="list-style-type: none"> <li>Per COMDT INSTs</li> </ul>	<ul style="list-style-type: none"> <li>% crew within weight standard</li> </ul>	<ul style="list-style-type: none"> <li>Exercise</li> <li>Low Fat Meals</li> </ul>
Funds Management	<ul style="list-style-type: none"> <li>Reconciliation Rpt</li> </ul>	<ul style="list-style-type: none"> <li>Accurate</li> <li>Timely</li> </ul>	<ul style="list-style-type: none"> <li>Per FINCEN SOP</li> </ul>	<ul style="list-style-type: none"> <li>% funds obligated</li> <li>% carryover</li> <li>% errors</li> </ul>	<ul style="list-style-type: none"> <li>MLC Compliance Inspections</li> </ul>
Safety	<ul style="list-style-type: none"> <li>Healthy Crew</li> </ul>	<ul style="list-style-type: none"> <li>Safe working Environment</li> </ul>	<ul style="list-style-type: none"> <li>Per Cutter Organization Manual</li> </ul>	<ul style="list-style-type: none"> <li># of personnel MISHAPS</li> <li># of lost days</li> </ul>	<ul style="list-style-type: none"> <li>Materiel Inspections</li> <li>MLC compliance inspections</li> </ul>
PMIS Processing	<ul style="list-style-type: none"> <li>PMIS Documents</li> </ul>	<ul style="list-style-type: none"> <li>Timely</li> <li>Error Free</li> </ul>	<ul style="list-style-type: none"> <li>Per HRSIC SOP</li> </ul>	<ul style="list-style-type: none"> <li>Avg # days processing</li> <li>% errors</li> </ul>	<ul style="list-style-type: none"> <li>Checklists</li> </ul>
Communications	<ul style="list-style-type: none"> <li>Message Traffic</li> <li>Secure Comms</li> </ul>	<ul style="list-style-type: none"> <li>Timely</li> <li>Accuracy</li> <li>Security</li> </ul>	<ul style="list-style-type: none"> <li>Per NWP</li> <li>Per Area SOP</li> </ul>	<ul style="list-style-type: none"> <li># of PDS</li> <li>% of message traffic errors</li> </ul>	<ul style="list-style-type: none"> <li>CMS Inspections</li> <li>TSTA</li> <li>PQS</li> <li>Training</li> </ul>

### 6.3 Management of Supplier and Partnering Processes (20 points)

#### Approach & Deployment

Describe how the organization's supplier and partnering processes, relationships, and performance are managed and improved.

In your response, address the following Area:

#### a. Management of Supplier and Partnering Processes.

Describe:

- (1) how supplier and partnering processes are designed to meet overall performance requirements, including how key suppliers and partners are selected, as appropriate. Include a brief summary of the principal performance requirements for key suppliers and partners;
- (2) how the organization ensures that these requirements are met. Include a description of key measures, expected performance levels, and how performance information is fed back to suppliers and partners; and
- (3) how the organization evaluates and improves its management of supplier and partnering processes to achieve better performance. Discuss current actions and plans to improve suppliers' and partners' abilities to contribute to achieving your organization's performance goals. Include actions to minimize costs associated with inspection, test, or other performance audits; and actions to enhance supplier and partner knowledge of your organization's needs and their ability to respond to those needs.

#### What this means

This Item addresses how the organization manages and improves its supplier and partnering processes, relationships, and performance. The term "supplier" refers to other companies (public and private) and to other units of the parent organization that provide goods and services. The use of these goods and services may occur at any stage in the production, design, delivery, and use of the organization's products and services. Thus, suppliers include services such as distribution, repair services, and transportation, as well as those that provide materials and components. Suppliers also include service suppliers, such as health care, training, and education providers.

The Item places particular emphasis on the unique relationships that organizations are building with key suppliers, including establishing partnering relationships. For many organizations, key suppliers and partners are an increasingly important part of achieving not only high performance and lower-cost objectives, but also strategic objectives.

**Item 6.3** requests the principal performance requirements for key suppliers and partners. These requirements are the principal factors involved in the organization's purchases, e.g., quality, delivery, and price. Processes for determining whether or not requirements are met might include audits, process reviews, receiving inspection, certification, testing, and rating systems.

**Item 6.3** also requests information on actions and plans to improve suppliers' and partners' abilities to contribute to achieving your organization's performance goals. These actions and plans might include one or more of the following: improving your own procurement and supplier management processes (including seeking feedback from suppliers and internal customers), joint planning, rapid information and data exchanges, use of benchmarking and comparative information, customer-supplier teams, training, long-term agreements, incentives, and recognition. Actions and plans might also include changes in supplier selection, leading to a reduction in the number of suppliers and enhancing partnership agreements.

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### 6.3 Management of Supplier and Partnering Process (cont.)

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#### Tips

- Describe a systematic approach for selecting suppliers and partners.
  - Identify key suppliers. Typically they are those from outside the organization who provide the most important products or services.
  - Take into account the criticality and volume of products and/or services involved.
  - Define requirements for all suppliers/partners.
  - Measure regularly how well suppliers/partners meet those requirements.
  - Describe how you have reduced the overall number of suppliers to companies with proven track records.
  - Reduce the number of inspections of incoming supplier materials. Have the supplier inspect their own products.
  - Provide training for suppliers/partners on the basics of the Baldrige criteria.
  - Measure internal customer satisfaction regarding supplier/partner management.
  - Develop a supplier feedback system.
  - Describe incentives in place to encourage suppliers to improve their performance.
  - Describe a systematic approach to evaluate supplier performance.
- 

#### Examples

- The basis of the organization's supplier strategy is to create and maintain partnership relationships with our best suppliers for each of the commodities we purchase. We use Continuous Involvement Meetings to establish productive communication with our Suppliers. We then analyze their Quality Performance Indicators and provide them with feedback.
  - The key supplier of ATON hulls, buoy chain and sinkers is the ISC. Utilizing the ATONIS program to identify the aids which require hardware relief within the next 12 months, the Cutter provided the ISC with a comprehensive list of all relief hulls anticipated for the coming year in the monthly VOR report. Required hulls are linked to the aid which they are to replace and the month the relief hull is required as indicated. Identification of aids awaiting return via logistics run allows ISC to schedule overhaul or replacement of the aid in time to return it to the fleet to meet another unit's needs.
  - As a cutter, we are not usually free to choose our suppliers. However, we still classify our suppliers into three categories for better supply chain management: Strategic, support and commodity. Strategic suppliers are those whose services are an integral part of delivery of our products/services to our customers. Support suppliers are those that provide important services to the unit (i.e. oily water removal), but that are unseen by our customers. Commodity suppliers provide important purchased items and consumables that our customer usually never sees (i.e. food stores, welding rod, fuel oil). Quarterly, we evaluate our suppliers and rank them from most responsive to least responsive. Action plans are developed to help suppliers better understand their impact on our processes and include them in appropriate efforts to improve performance, decrease costs or speed delivery. The information used to manage supplier performance is shown in the attached two matrices. - 6.3a(1), (2) & (3).
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### 6.3 Management of Supplier and Partnering Process (cont.)

#### Examples (cont.)

SUPPLIER	PERFORMANCE INDICATOR	REQUIREMENTS	Strategic, Support or Commodity
1.) Eastern Metals (welding rod & metals)	<ul style="list-style-type: none"> <li>Rapid deliver of orders</li> <li>Low error rate in deliveries</li> </ul>	< 24 hr. turn around < 0.2 / 1,000 items	Commodity
2.) District (small arms training)	<ul style="list-style-type: none"> <li>Minimal delay to get B.O.'s qualified</li> </ul>	< 1 mo. from date requested	Strategic
ï	ï	ï	ï
ï	ï	ï	ï
ï	ï	ï	ï

#### Key Suppliers

Supplier	Product(s) Provided	Requirement	Measure
Operational Commander	Operational Schedule Oorder	Feasibility Effectiveness	Anecdotal Feedback
Administrative Commander	Personnel Support Financial Support	Courteous Service Fast Response	Anecdotal Feedback
MLC	Maintenance Support Casualty Response Support	Fast Response Availability	Anecdotal Feedback % MLC personnel perform PMS
Group	Supply Support Medical Support	Availability Timely Courteous Service	Anecdotal Feedback
Food Service Vendor	Food	Timely Selection Easy to use Courteous Service	% on-time delivery
Fuel Service Vendor	Fuel	Timely Easy to use Courteous service	% on-time delivery
Marine Hardware Vendor	Supplies Equipment	Low cost Selection Courteous Service	Cost/Benefit
SupCen	Equipment	Timely	% on-time delivery
ISC	Personnel/admin support	Availability Timely Courteous Service	Anecdotal Feedback

## **7.0 Business Results (400 points)**

The Business Results Category examines the organization's performance and improvement in key business areas of customer satisfaction, overall financial/program performance, human resource, supplier and partner performance, and operational performance. Also examined are performance levels relative to competitors.

### **What this means**

Business Results provide a results focus that encompasses the customer's evaluation of the organization's products and services, the organization's overall financial and market performance, and the results of all key processes and process improvement activities. Through this focus, the Criteria's dual purposes, superior value of offerings as viewed by customers and the marketplace, and superior organization performance reflected in operational and financial indicators, are maintained. Category 7 thus provides "real-time" information (measures of progress) for evaluation and improvement of processes, products, and services, aligned with an overall business strategy. Analysis and review of business results data and information are called for in Item 4.3. Item 7.5 (a new Item in 1998) provides an opportunity to summarize key performance results, not covered in Items 7.1-7.4, that contribute significantly to customer satisfaction, operational, and financial/marketplace performance.



## 7.1 Customer Satisfaction Results (110 points)

### Results

Summarize the organization's customer satisfaction and dissatisfaction results.

In your response, address the following Area:

#### *a. Customer Satisfaction Results.*

Summarize current levels and trends in key measures and/or indicators of customer satisfaction and dissatisfaction, including satisfaction relative to competitors and/or similar organizations inside or outside government.

#### **What this means**

This Item addresses the principal customer-related results for customer satisfaction, dissatisfaction, and satisfaction relative to competitors. The Item calls for the use of all relevant data and information to establish the organization's performance as viewed by the customer. Relevant data and information include: customer satisfaction and dissatisfaction; retention, gains, and losses of customers; customer-perceived value based on quality and price; and competitive awards, ratings, and recognition from customers and independent organizations.

#### **Tips**

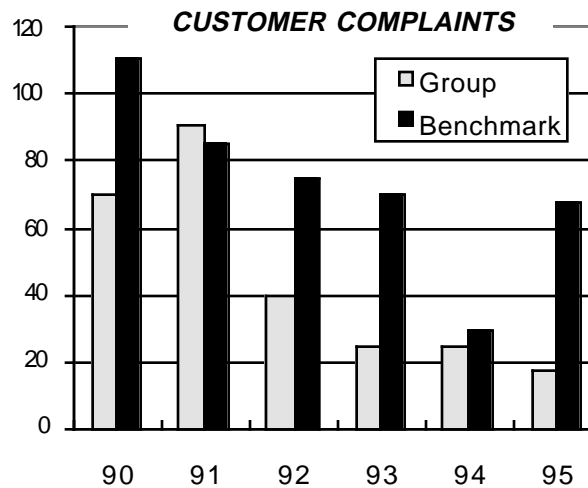
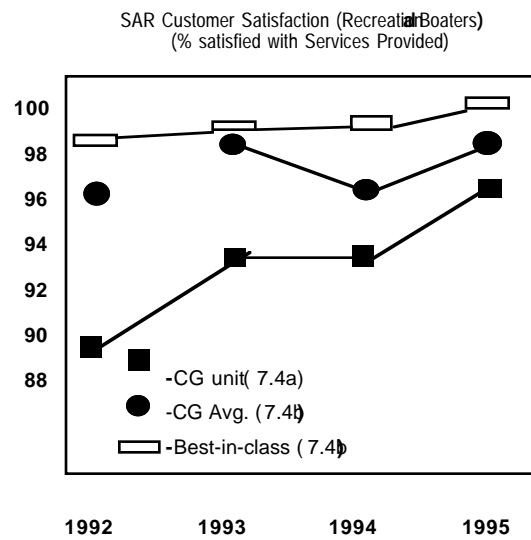
- Present a wide variety of customer satisfaction data.
- Use a variety of charts and graphs to show results for data and trends.
- Explain anomalies to results. Provide several different graphs of customer satisfaction data from at least the past three years.
- The more historical data you can present the better.
- Show measures of the performance indices that are most important to your customers.
- Performance results could include accuracy, timeliness, and reliability, etc.
- Ensure your results are tied directly to your measures mentioned in Category 4 Information and Analysis and your processes mentioned in Category 6, Process Management.
- Show customer satisfaction segmented by customer type as appropriate.

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## 7.1 Customer Satisfaction Results (cont.)

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### Examples



## 7.2 Overall Financial and Performance Results (110 points)

### Results

Summarize the organization's key financial and overall performance results.

In your response, address the following Area:

#### ***a. Financial/Program Results.***

Provide results of:

- (1) financial performance, including aggregate measures of financial return and/or economic value, as appropriate; and fiscal stewardship performance, including resource utilization and overall financial management of the organization's business.
- (2) overall operating and/or program performance, including attainment of performance goals and objectives not reflected in aggregate measures of financial performance reported in 7.2a.(1) above or Item 7.5.

For all quantitative measures and/or indicators of performance, provide current levels and trends. Include appropriate comparative data.

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#### **What this means**

This Item addresses those factors that best reflect the organization's financial and overall operating and/or program performance. Measures reported in this Item will frequently be those key financial and non-financial measures tracked by senior leadership on an ongoing basis to gauge overall organization performance, and are often used to determine performance effectiveness for senior leaders. These measures may often be found in an organization's performance outcomes, and goals and objectives established to meet the requirements of the Government Performance and Results Act.

Measures of financial performance (Item 7.2a(1)) may include return on investment, fiscal stewardship, and other appropriate financial activity measures. Fiscal stewardship performance could include measures of success in managing the organization's overall business base, new products or services, business growth, new products and geographic areas entered, and other key financial measures, as appropriate.

Measures of overall operating and/or program performance reported in Item 7.2a(2) would normally include non-financial outcomes, goals and objectives which are used by senior leaders to determine how well a program or activity is doing in achieving its intended objectives. These might also include measures useful to agency heads and other key stakeholders (Congress, OMB, the Executive Branch, public interest groups) in framing an assessment of what the program or activity is accomplishing. These measures might be the same as those incorporated in the organization's performance outcomes, goals and objectives established as part of a strategic plan or annual performance plan developed pursuant to the Government Performance and Results Act.

Comparative data for measures in Item 7.2 might include agency best, best competitor, agency average, and appropriate benchmarks.

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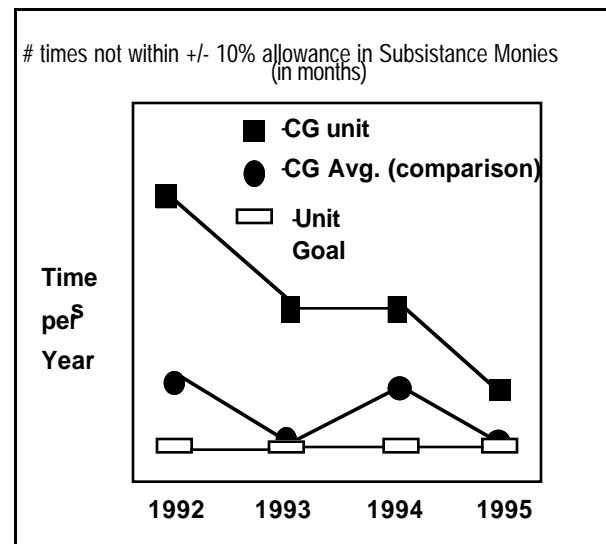
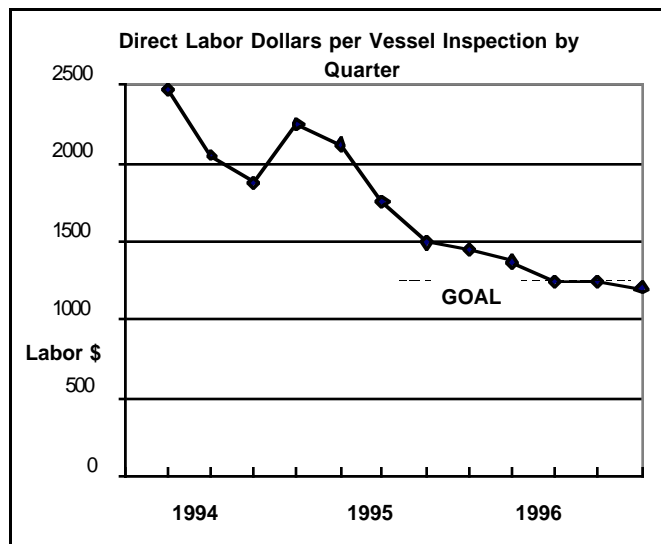
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## 7.2 Overall Financial and Performance Results (cont.)

### Tips

- Present a wide variety of financial and performance data.
- Use a variety of charts and graphs to show results for data and trends.
- Explain anomalies to results.
- Financial results could include cost per unit (of services/products delivered), operating expenses, cost savings, etc.
- Operational measures generally include things that are important to the organization but are invisible to customers.
- Operational measures might include things such as: productivity (of processes, people and other resources), timeliness, quantity, readiness, results of compliance inspections, environmental waste, health and safety results, community relations results, reliability, etc.
- Ensure your results are tied directly to your measures mentioned in Item 2.2, Organization Strategy.

### Examples



*Continued on next page*

## 7.2 Overall Financial and Performance Results (cont.)

### Examples (cont.)

One primary measure used for our overall financial spending performance is funds obligations percentage. Obviously we're not supposed to spend more than what we get, but we also need to ensure all funds are obligated. We've improved our obligation rate dramatically over the last few years, primarily because we put Tracen on the Large Unit Financial System in 1995.

This doesn't tell us if what we're spending it on is what we should be spending it on, but it's one internal control mechanism to be sure we're at least mechanical in getting things done. To ensure we're spending our money on the right things, a shared budget process is being adopted command-wide to ensure a much keener awareness on the part of all concerned about where the dollars are going. The Training Division developed and has been using this process over the last two years. This has promoted a stronger sense of financial stewardship because funds managers trust the process and know their "true" needs will be met.

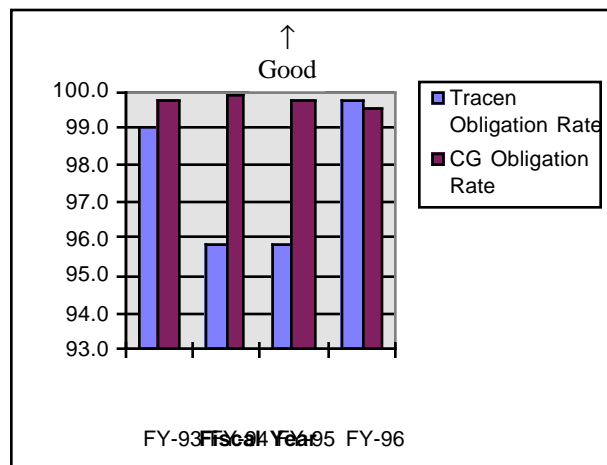


Figure 7.24 Tracen Spending Performance

Detailed financial records are kept for all activities of the Training Center's MWR program which has an operating budget of over \$500,000 per year of Non-appropriated fund dollars. They have a variety of small retail outlets in the theater concession area, consolidated club, and ticket sales. Generally, the sales of the MWR retail operations exceed the expenses of that operation and a profit is realized. The last few years, has seen a rise in our Coast Guard Exchange System contributions to the MWR fund. These contributions are realized from profits earned at the Coast Guard Exchange, Mini-Mart, Gas Stations, and concession contracts.

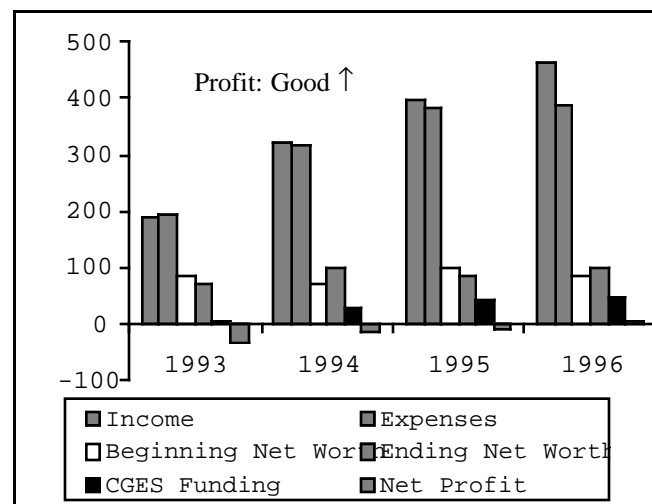


Figure 7.21. MWR Financial Performance

### 7.3 Human Resource Results (45 points)

#### Results

Summarize the organization's human resource results, including employee well-being, satisfaction, development, and work system performance.

In your response, address the following Area:

#### a. Human Resource Results.

Summarize current levels and trends in key measures and/or indicators of employee well-being, satisfaction, development, work system improvement, and effectiveness. Address all categories and types of employees, as appropriate. Include appropriate comparative data.

#### What this means

This Item addresses the organization's human resource results, those relating to employee well-being, satisfaction, development, work system performance, and effectiveness.

Results reported could include generic and business or organization specific factors. Generic factors include safety, absenteeism, turnover, and satisfaction. Business or organization specific factors include those commonly used in the industry or created by the organization for purposes of tracking progress. Results reported might include input data, such as extent of training, but the main emphasis should be placed on measures of effectiveness.

Results reported for work system performance should include those relevant to the organization, and might include measures of improvement in job classification, job rotation, work layout, and changes in local decision making.

The Item calls for comparative information so that results can be evaluated meaningfully against competitors or other relevant external measures of performance. For some measures, such as absenteeism and turnover, local or regional comparisons are also appropriate.

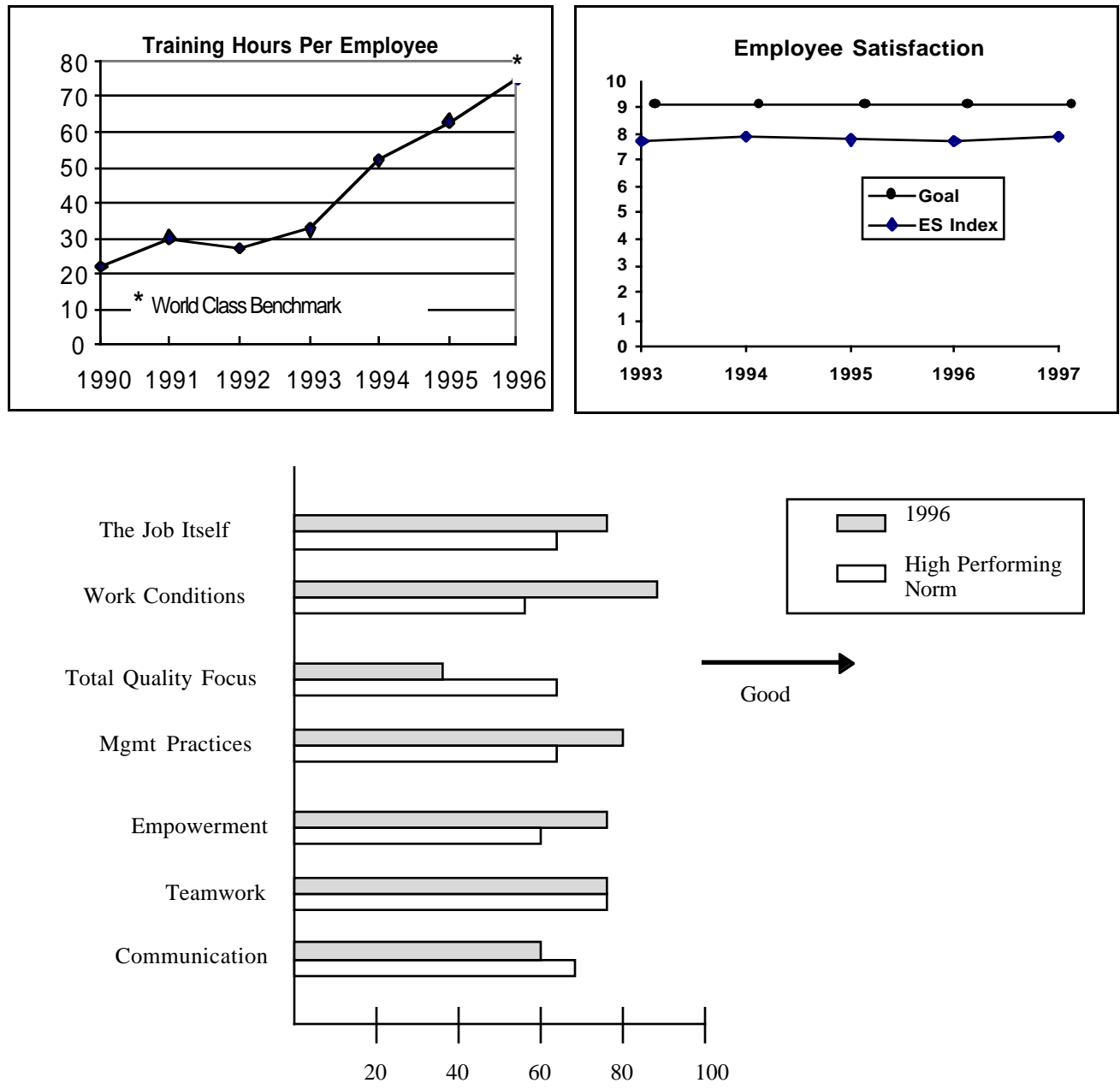
#### Tips

- Show data and trends in measures and/or indicators of well-being and satisfaction .
- Focus on the results of your comprehensive treatment of the unit's members.
- Use existing Coast Guard policies, procedures and regulations to determine what types of data and trends to Report.
- Report HR factors created by the units and/or those used throughout the Coast Guard.
- Results reported here reflect activities described in Category 5, Human Resource Development and Management.
- Address the different types of employees. (Civilian, Reserve, Active duty, Auxiliary, etc.)
- Show "Employee-related data", which refers to job satisfaction data and data on turnover, absenteeism, safety, grievances, involvement, recognition, training, teamwork, etc.

*Continued on next page*

### 7.3 Human Resource Results (cont.)

#### Examples



## 7.4 Supplier and Partner Results (25 points)

### Results

Summarize results of the organization's supplier and partner performance.

In your response, address the following Area:

#### *a. Supplier and Partner Results.*

Summarize current levels and trends in key measures and/or indicators of supplier and partner performance. Include organization cost and/or performance improvements attributed to supplier and partner performance, as appropriate. Include appropriate comparative data.

### What this means

This Item addresses current levels and trends in key measures and/or indicators of supplier and partner performance. Suppliers and partners, both private and public, provide "upstream" and/or "downstream" materials and services. The focus should be on the most critical requirements from the point of view of the organization, the "buyer" or other direct recipient of the products and services. Data reported should reflect results by whatever means they occur, via improvements by suppliers and partners and/or through selection of better performing suppliers and partners. Measures and indicators of performance should relate to the principal factors involved in the organization's purchases, e.g., quality, delivery, and price.

Data reported should also reflect how suppliers and partners have contributed to your organization's performance goals. Results reported could include cost savings; reductions in scrap, waste, or rework; and cycle time or productivity enhancements.

The Item calls for comparative information so that results reported can be meaningfully evaluated against competitors or other relevant external measures of performance.

### Tips

- Ensure your results are tied directly to your measures mentioned in Item 6.3, Management of Supplier and Partnering Processes.
- Break out results by type of supply or key supplier.
- Depict the percentage of suppliers/partners showing trend improved performance.
- Include data such as accuracy and completeness of delivery, reject rates, reports of discrepancy, late receipt, repeat discrepancies, etc.
- Show evidence that actions by your organization help supplier/partner improve their performance
- Use objective and reliable data on suppliers/partners.

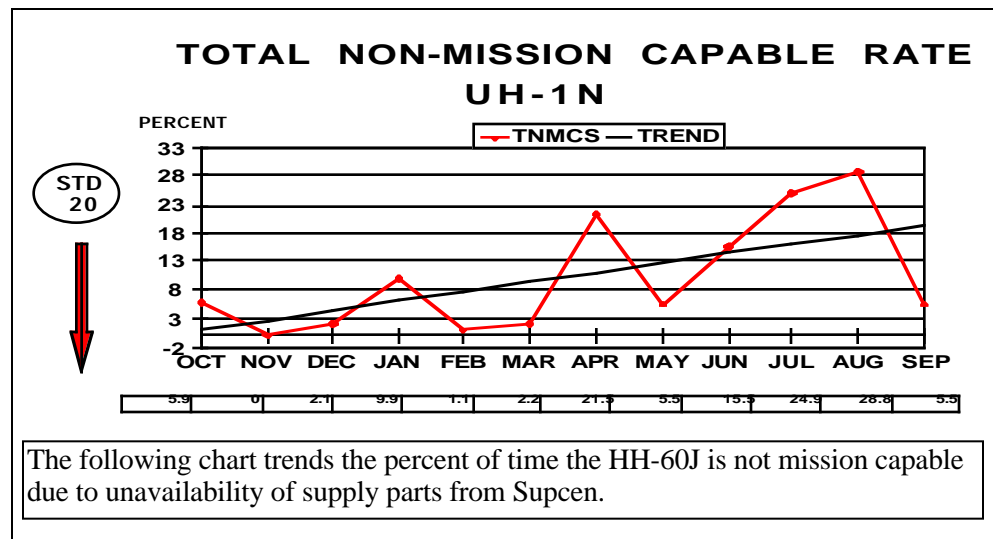
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## 7.4 Supplier and Partner Results (cont.)

### Examples

<i>SUPPLIER QUALITY DATA</i>					
<i>COMPANY</i>	<i>MEASURE</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
1.) Eastern Metals (welding rod & metals)	Delivery accuracy	84%	72%	89%	96%
2.) District (small arms training)	B.O.'s qualified in 1 month or less	63%	76%	82%	91%
.	.	.	.	.	.
.	.	.	.	.	.
.	.	.	.	.	.



## 7.5 Organization-Specific Results (110 points)

### Results

Summarize key organization operational performance results that significantly contribute to key organization goals — customer satisfaction, operational effectiveness, and financial, and overall operating and/or program performance.

In your response, address the following Area:

#### *a. Organization-Specific Results.*

Summarize key organization-specific results which indicate progress in meeting broad performance goals and objectives, such as: product and service quality and performance; key process performance; productivity, cycle time, and other effectiveness and efficiency measures; regulatory/ legal compliance; and other results supporting the organization's strategy, such as new product/service introductions. For all quantitative measures and/or indicators of performance, provide current levels and trends. Include appropriate comparative data.

### What this means

This Item addresses key performance results, not covered in Items 7.1-7.4, that contribute significantly to the organization's goals: customer satisfaction, operational effectiveness, and financial/program performance. Results should reflect key product, service, and process performance measures, including those that serve as predictors of customer satisfaction and financial/program outcomes and objectives. Measures of productivity and operational effectiveness in all key areas, resource utilization, support areas and product/service delivery areas are appropriate for inclusion. Results of compliance with regulatory/legal requirements should be reported. Measures and/or indicators of product and service performance should relate to requirements that matter to the customer. These features are derived from the customer-related Items 3.1 and 3.2 (listening posts). If the features have been properly selected, improvements in them should show a clear positive correlation with customer and overall performance management improvement indicators captured in Items 7.1 and 7.2. The correlation between product/service performance and customer indicators is a critical management tool, a device for defining and focusing on key quality requirements. In addition, the correlation might reveal emerging or changing business or mission requirements, the changing importance of requirements, or even the potential obsolescence of products and/or services.

Product/service performance appropriate for inclusion might be based upon one or more of the following: internal (organization) measurements; field performance; data collected by the organization or on behalf of the organization; or surveys of customers on product and service performance. Although data appropriate for inclusion are primarily based upon internal measurements and field performance, data collected by the organization or other organizations through follow-up might be included for attributes that cannot be accurately assessed through direct measurement (e.g., ease of use) or when variability in customer expectations makes the customer's perception the most meaningful indicator (e.g., courtesy).

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## 7.5 Organization-Specific Results (cont.)

### What this means (cont.)

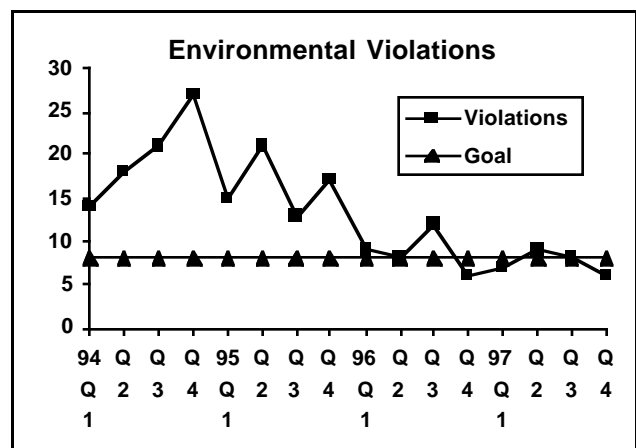
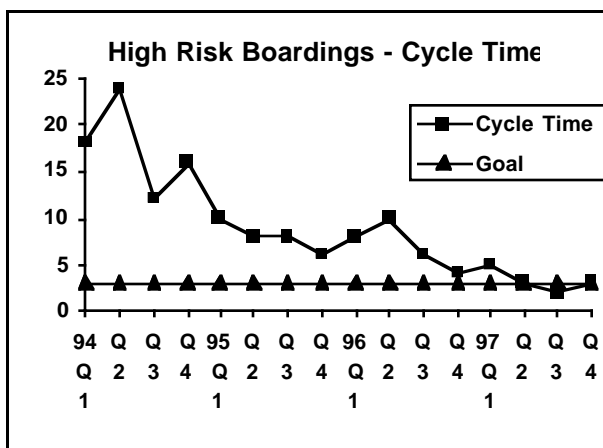
Measures and/or indicators of operational effectiveness could include the following: environmental improvements reflected in emissions levels, waste stream reductions, by-product use, and recycling; cycle time, lead times, set-up times, and other responsiveness indicators; process assessment results such as customer assessment or third-party assessment (such as ISO 9000); and business-specific indicators such as innovation rates, innovation effectiveness, cost reductions through innovation, time to market, product/process yield, complete and accurate shipments, and measures of strategic goal achievement. The Item encourages the use of any unique measures the organization has developed to track performance in areas important to the organization.

The Item calls for comparative information so that results reported can be evaluated against competitors and/or similar organizations inside or outside government, or other relevant external measures of performance. These comparative data might include agency best, best competitor or similar organization inside or outside government, agency average, and appropriate benchmarks. Such data might be derived from independent surveys, studies, laboratory testing, or other sources.

### Tips

- Show measures of the performance indices that are most important to your organization.
- Ensure your results are tied directly to your key measures mentioned in Category 4.0, Information and Analysis and your key processes mentioned in Category 6.0, Process Management.
- Provide data for all important measures of operational performance.
- These results generally summarize the collective success of individual processes.
- This is where you show your measures of the quality indices that are most important to your organization; typical performance results include accuracy, timeliness, and reliability, etc.

### Examples



*Continued on next page*

## 7.5 Organization-Specific Results (cont.)

SAR Response Effectiveness			
Measure	1994	1995	1996
Lives Lost	12	11	5
Lives Saved	83	88	88
Property Saved	\$2.2 M	\$2.2 M	\$4.5 M
People Assisted	2,763	2,634	3,412
% Launched w/in time limit	89	91	94
Ready for Ops Scores	3.3	3.5	3.8

